

# S.B. 3004

## SECURITIES AMENDMENTS

HOUSE FLOOR AMENDMENTS

AMENDMENT 4

MAY 24, 2006 6:39 PM

Representative **John Dougall** proposes the following amendments:

1. *Page 1, Lines 11 through 13*

*Senate 2nd Reading Amendments*

5-24-2006:

11 This bill:

12 ▶ requires a broker-dealer to notify the division of the failure to settle certain

13 securities transactions occurring on or after {~~July 1, 2006~~} October 1, 2006 ;

▶ addresses liability for failure to file the notice including waiver of penalties or amounts owed for reasonable cause;

2. *Page 1, Lines 21 through 22a*

*Senate 2nd Reading Amendments*

5-24-2006:

21 Other Special Clauses:

22 This bill provides an immediate effective date.

22a {~~§→ This bill provides revisors instructions. ←§~~}

3. *Page 3, Lines 62 through 63:*

62 (D) the failure to settle described in this Subsection (2)(d) occurs on or after {~~July 1~~} October

1 ;

63 2006.

4. *Page 3, Lines 79 through 80:*

79 (iv) (A) {~~A~~} Subject to Subsection (2)(d)(iv)(C), a broker-dealer who materially fails to  
provide the notice required by

80 Subsection (2)(d)(ii) is liable to the company whose securities were the subject of the

5. *Page 3, Line 88 through Page 4, Line 94:*

88 (B) {~~The~~} Subject to Subsection (2)(d)(iv)(C), the company described in this Subsection  
(2)(d)(iv) may sue at law or in equity to

89 enforce the payment of:

90 (I) the amount described in Subsection (2)(d)(iv)(A) \$→ [(\$)] ←\$ ;

91        (II) interest at 12% per year from the day on which the broker-dealer fails to provide  
92   the notice required by Subsection (2)(d)(ii);  
93        (III) costs; and  
94        (IV) reasonable attorney's fees.

(C) The court in an action brought under this Subsection (2)(d)(iv) may waive the amounts owed under this Subsection (2)(d)(iv), upon a showing by the licensed broker-dealer who is subject to this Subsection (2)(d) or any person listed in Subsection (2)(d)(v) of reasonable cause including for any exception provided in Regulation SHO, 17 C.F.R. 242.200 et seq.

6. *Page 4, Lines 111 through 112*  
*Senate 2nd Reading Amendments*  
*5-24-2006:*

111        (vii) The rights and remedies provided in this Subsection (2)(d) are in addition to any  
112   other rights or remedies that may exist at law or in equity.

(iv) With regard to any enforcement action the division may take to enforce this Subsection (2)(d), the division may waive any penalty or amounts owed upon a showing by the licensed broker-dealer who is subject to this Subsection (2)(d) or any person listed in Subsection (2)(d)(v) of reasonable cause including for any exception provided in Regulation SHO, 17 C.F.R. 242.200 et seq.

7. *Page 14, Lines 422 through 423:*

422        (z) "Threshold security" means a security that is a threshold security under { regulations  
423   issued under the Securities and Exchange Act of 1934}    Regulation SHO, 17 C.F.R. 242.200 et seq. .

8. *Page 17, Lines 523a through 523e*  
*Senate 2nd Reading Amendments*  
*5-24-2006:*

523a        { ~~§~~ → Section 5. Revisors instructions:  
523b   If this bill passes the Legislature by less than two-thirds of all the members elected to each  
523c   house, the Office of Legislative Research and General Counsel in enrolling shall change the  
523d   date "July 1, 2006" cited in the long title and Subsection 61-1-5(2)(d)(i)(D) to "August 1,  
523e   2006". ~~← §~~ }